

1.0 INTRODUCTION

1.1 PROJECT OBJECTIVES, PURPOSE AND NEED

The California Environmental Quality Act (CEQA) Guidelines (section 15126.6.a) require that an Environmental Impact Report (EIR) describe a range of reasonable alternatives to the proposed Project, and analyze those that could feasibly attain most of the basic objectives of the Project. Therefore, in order to explain the need for this proposed Project, and to guide in development and evaluation of alternatives, Equilon Enterprises LLC, dba (doing business as) Shell Oil Products US (Applicant, or Shell) was asked to define its project objectives. The Applicant identified the following objectives for the Shell Marine Oil Terminal Project (Project):

- The Project objective is to maintain the operation and viability of the Shell Martinez Refinery (Refinery) by continuing current Shell Martinez Marine Terminal (Shell Terminal) operations through which the Refinery both receives its raw materials and exports its refined products. The Project is needed in order to continue Refinery operations. Without the use of the Shell Terminal, the Refinery would not be viable and would eventually be shut down.

1.2 PURPOSE AND SCOPE OF THE EIR

Section 15124(d) of the State CEQA Guidelines requires that an EIR contain a statement within the project description briefly describing the intended uses of the EIR. The State CEQA Guidelines indicate that the EIR should identify the ways in which the Lead Agency and any responsible agencies would use this document in their approval or permitting processes. The following discussion summarizes the roles of the agencies and the intended uses of the EIR.

The California State Lands Commission (CSLC) is serving as the Lead Agency responsible for preparing the EIR in consultation with other agencies and the public. The EIR will be used by the CSLC in determining whether to approve Shell's proposal for a new 30-year lease of California sovereign lands.

The scope of the EIR covers the environmental impacts associated with operation of the Shell Terminal with particular emphasis on oil transfer operations at the Shell Terminal, vessel transit along shipping routes within San Francisco Bay and along the outer coast, and upset (accident) conditions. This EIR will provide the CSLC the information required to exercise its jurisdictional responsibilities in making its decision.

The Project will also be reviewed by a number of State, Federal and/or local agencies as noted in Section 1.4 – Permits, Approvals and Regulatory Requirements.

1.2.1 Organization of this Draft EIR

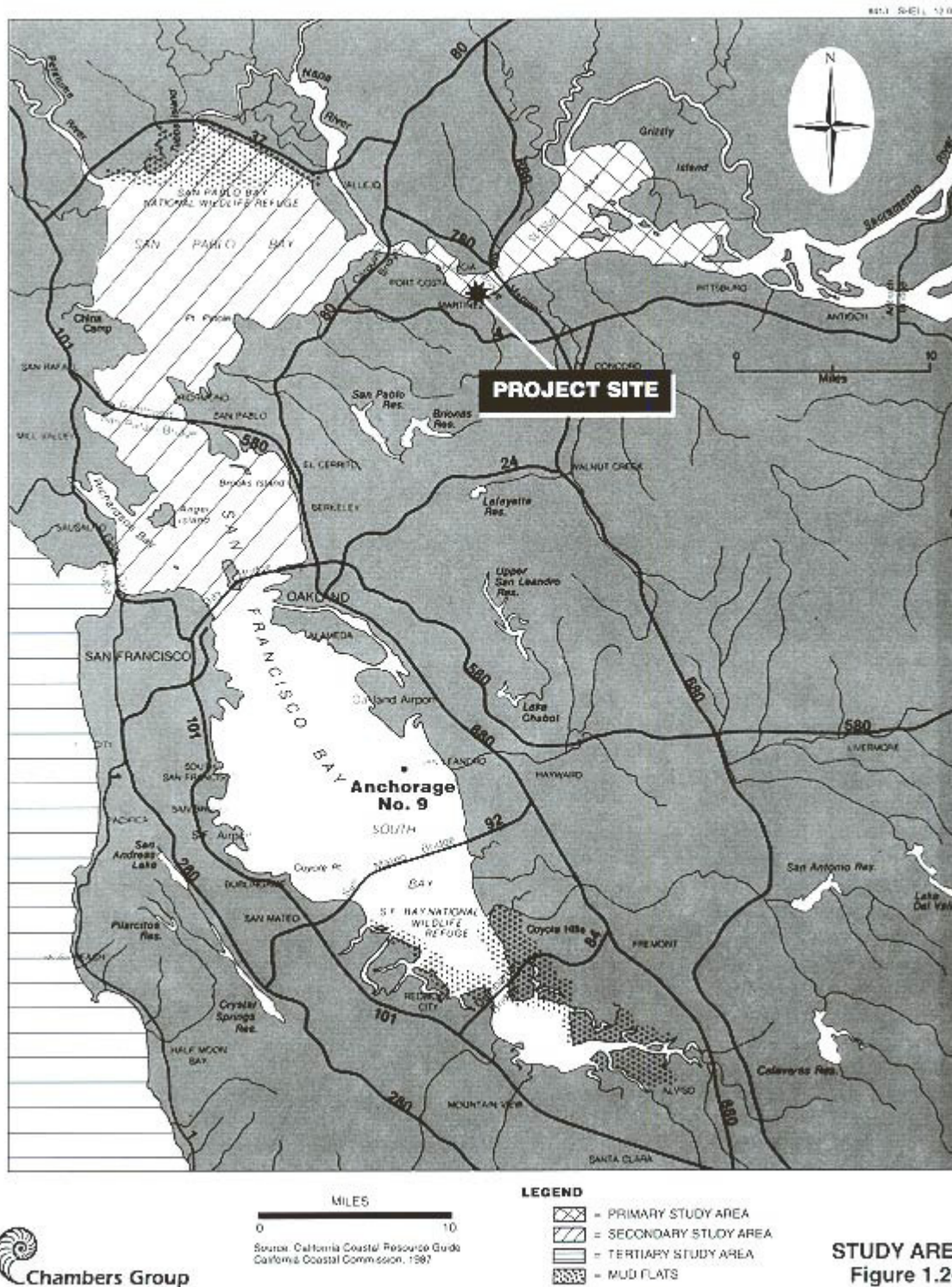
- Section 2.0, Description of the Proposed Project, describes the proposed Project, its location, layout and facilities, and presents an overview of its operation;
- Section 3.0, Alternatives and Cumulative Projects, describes the alternatives to the proposed Project carried forward for analysis, the alternatives that were considered but eliminated from detailed evaluation, and identifies the cumulative projects baseline;
- Section 4.0, Existing Environment and Impact Analysis, describes existing environmental conditions within issue areas, project-specific impacts and mitigation measures, and the impact analysis of the alternatives. Section 4.0 also evaluates the impacts of the cumulative projects;
- Section 5.0, Other Required CEQA Sections, addresses other required CEQA elements;
- Section 6.0, is the Mitigation Monitoring, Compliance and Reporting Program (MMRCP).
- Section 7.0, Report Preparation Sources, presents information on the qualifications of those who prepared the report;
- Section 8.0, References, lists reference materials used to prepare the report; and
- Appendices A-E to this Draft EIR contains the mailing list, the Notice of Preparation (NOP), copies of comments received on the NOP, and the location in the EIR where the comments are addressed, and other technical reports used in the preparation of this Draft EIR.

1.2.2 Study Area Boundary

Refinery operations are separate from Shell Terminal operations, and are not part of the proposed lease. Refinery operations are not under the jurisdiction of the CSLC, and are addressed only as they pertain to Shell Terminal operations or to alternatives to the proposed Project.

The study area for this Draft EIR has been established in three tiers of scope as shown in Figure 1.2-1. The primary study area covers the areas most susceptible to oil spills, the approximate 28-acre footprint of public land immediately south of the Shell Terminal, and the area extending west to the Carquinez Bridge and east to the western border of the legally defined Delta, near Pittsburg, encompassing the Carquinez Strait and Suisun Bay. Because vessels travel within the San Francisco Bay and the outer coast, the

Figure 1.2-1– Study Area



secondary area of study is considered to be the area between the Golden Gate Bridge and the entrance of Carquinez Strait. The California outer coast is the tertiary area of study.

Information from previous relevant documents have been used as appropriate, including the Shore Terminals, LLC., Martinez Marine Terminal EIR prepared by the CSLC (Chambers Group 2004), and the Unocal Marine Terminal EIR prepared for the CSLC (Chambers Group 1994). Information from these EIRs pertinent to oil spill modeling have been reviewed for applicability to the Shell Terminal project and have been found to still be valid for use in this Draft EIR. The types of impacts that could occur from vessels transiting to/from the Shell Terminal in the Bay and along the outer coast have remained similar to both the 2004 and 1994 analysis. Particularly relevant is the data from the Shore Terminals EIR as both the Shore and Shell facilities are in Carquinez Strait less than 2 miles from each other, with Shore located just east of the Benicia-Martinez Bridge (I-680), and Shell located just west of I-680. Other resource information referenced have been reviewed for the age of data, validity to the current project, and where appropriate have been used in this Draft EIR.

Oil Spill Modeling

This Draft EIR examines the potential consequences of accidents, with reference to the extensive oil spill modeling presented in the Unocal Marine Terminal EIR (Chambers Group 1994) that contains, in particular, the 14 reasonable worst-case scenarios representing a wide range of possible oil spills with variable locations, sizes, wind and current conditions. Scenario No. 6 from that document presents a spill near the Shell Terminal. The analyses for accident conditions in this Draft EIR examine the potential impacts to sensitive environmental resources, show that a spread of oil can potentially cover the entire area between the Shell Terminal and the Sacramento San Joaquin Delta, and specify mitigation measures for Shell to implement to reduce or eliminate impacts. As above, the primary analysis focuses on the Shell Terminal and the area between the Shell Terminal and the Delta, with secondary and tertiary emphasis on the Bay and outer coast, respectively.

1.2.3 Definition of Baseline and Future Conditions

When the CSLC initially granted Shell the current CSLC lease, the CEQA was not in place, and to date no CEQA studies have been completed for construction or operation of the Shell Terminal. This Draft EIR analyzes the environmental impacts associated with Shell operations under the new lease. Granting of a new lease, the proposed Project, would allow Shell to continue operations for 30 more years.

The baseline conditions are defined as the existing Shell operations. Shell proposes to continue operation of the Shell Terminal with no physical changes to the Shell Terminal facility. Over the lease period, an increase in the annual number of vessel calls is expected, along with an increase in annual Shell Terminal throughput.

The State CEQA Guidelines (section 15125(a)) require a description of the existing environmental setting in order to examine and analyze the effects of the proposed Project on the environment. Because the Shell Terminal is currently in place and operational, this Draft EIR examines the impact of continued Shell Terminal operations on the existing environment and for the proposed lease period. The impact analyses measure the potential for impacts on the environmental conditions resulting from 30 more years of operating the Shell Terminal.

1.3 PUBLIC REVIEW AND COMMENT

1.3.1 Scoping

The CSLC, Lead Agency in accordance with the CEQA, determined that the proposed Project may result in potentially significant adverse environmental impacts, and therefore required preparation of this Draft EIR pursuant to and in accordance with the CEQA (Public Resources Code, section 21000 et seq.), the State CEQA Guidelines (California Code of Regulations, sections 15000 et seq.), and the CSLC's guidelines implementing the CEQA. On July 21, 2004, pursuant to the State CEQA Guidelines (section 15082(a)), the CSLC provided a Notice of Preparation (NOP) for the proposed Project to responsible and trustee agencies and to other interested parties. The NOP solicited both written and verbal comments on the EIR's scope during a 30-day comment period and provided information on a forthcoming public scoping meeting. The CSLC held a public and agency scoping meeting in the city of Martinez, California, on August 20, 2004, to solicit verbal comments on the scope of the EIR. Three persons spoke at the scoping meeting and written comments were received in response to the NOP from the following:

- Edgar Mendelsohn, Co-Chair, Conservation Committee, Mt. Diablo Group of the San Francisco Bay Chapter, Sierra Club

A copy of the NOP, mailing list, meeting transcript, and letters received, as well as an index of where such comments are addressed in the document, are included in Appendix A.

1.3.2 Public Comment on the Draft EIR

This Draft EIR is being circulated to local and state agencies and to interested individuals who may wish to review and comment on the report. Written comments may be submitted to the CSLC during the 45-day public review period. Verbal and written comments on this Draft EIR will be accepted at a noticed public meeting (either noticed in this document or under separate cover). All comments received will be addressed in a Finalizing addendum, which, together with this Draft EIR, will constitute the Final EIR for the proposed Project.

This Draft EIR identifies the environmental impacts of the proposed Project on the existing environment, indicates how those impacts will be mitigated or avoided, and identifies and evaluates alternatives to the proposed Project. This document is intended to provide the CSLC the information required to exercise its jurisdictional responsibilities with respect to the proposed Project, which would be considered at a separate noticed public meeting of the CSLC.

The CEQA requires that a Lead Agency shall neither approve nor implement a project as proposed unless the significant environmental impacts have been reduced to an acceptable level. An acceptable level is defined as eliminating, avoiding or substantially lessening significant environmental effects to below a level of significance. If the Lead Agency approves the project, even though significant impacts identified in the Final EIR cannot be fully mitigated, the Lead Agency must state in writing the reasons for its action. Findings and a Statement of Overriding Considerations (SOC) must be included in the record of project approval and mentioned in the Notice of Determination (NOD).

1.4 PERMITS, APPROVALS AND REGULATORY REQUIREMENTS

In addition to action by the CSLC, the proposed Project will require the following permits and approvals from reviewing authorities and regulatory agencies:

- Bay Area Air Quality Management District (BAAQMD) Major Facility Review Permit (air quality) for Shell Terminal and Refinery facilities;
- Department of the Army, U.S. Corps of Engineers (USACE) Permit for maintenance dredging and disposal;
- CSLC Marine Facilities Division (MFD), U.S. Coast Guard (USCG), and State Fire Marshall inspection requirements;
- 2001 California Building Code (CBC), Parts 2 (Volumes 1 and 2) and Part 3. Note that the “Marine Oil Terminal Engineering and Maintenance Standards” (MOTEMS) is now Chapter 31F, of Part 2 of the CBC;
- CSLC and USCG regulations for an Oil Spill Response Plan and Operations Manual;
- USCG “Certificate of Adequacy” as an oily waste reception facility;
- California Department of Fish and Game (CDFG), Office of Oil Spill Prevention and Response (OSPR) regulations and guidelines for spill prevention, response planning and response capability; and,
- California Marine Invasive Species Act (MISA) of 2003.